

Message Text

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UNCLAS NEW DELHI 10730

E.O. 11652: N/A
TAGS: BEXP BTIO IN
SUBJECT: INVESTMENT OPPORTUNITY: AN INDIAN FIRM SEEKS US PARTICIPA-
TION TO MANUFACTURE INSOLUBLE SULFUR

1. MR. S. GHOSH, ADVISOR, FERRO ALLOYS CORPORATION LIMITED (FACOR),
8TH FLOOR, HINDUSTAN TIMES HOUSE, KASTURBA GANDHI MARG, NEW DELHI
(TEL: 386611; CABLE: FACOR, TELEX: FACOR ND 2710) HAS EXPRESSED AN
INTEREST IN AMERICAN FINANCIAL AND TECHNICAL PARTICIPATION TO
MANUFACTURE INSOLUBLE SULFUR.

2. FACOR, ESTABLISHED IN 1956, IS NOW THE LARGEST PRODUCER OF
FERRO ALLOYS IN INDIA. THE COMPANY'S HEADQUARTERS ARE LOCATED AT
TUMSAR, MAHARASHTRA STATE AND PLANT AT GARIVIDI, SHREERAMNAGAR
532101, ANDHRA PRADESH. FACOR'S 1975-76 PRODUCTION OF FERROMANGANESE,
SILICACHROME AND LOW CARBON FERROCHROME AMOUNTED TO ABOUT
DOLS22 MILLION AND ITS PROFITS AFTER TAX WERE 34.6 PERCENT OF
THE NET WORTH. MR. GHOSH IS A HIGHLY INFLUENTIAL AND
EXPERIENCED BUSINESS EXECUTIVE. HE IS A CHAIRMAN OF DENISON
HYDRAULICS INDIA LIMITED, HYDERABAD AND A DIRECTOR OF I.D.L.
CHEMICALS LIMITED, HYDERABAD-BOTH SUCCESSFUL INDO-U.S.
JOINT VENTURES. MR. GHOSH IS A MEMBER OF THE NATIONAL COMMITTEE
FOR WORLD PETROLEUM CONGRESS. BEFORE ASSOCIATING HIMSELF WITH
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PRIVATE SECTOR INDUSTRY, MR. GHOSH WAS A CHAIRMAN OF DURGAPUR
PROJECTS LIMITED, DURGAPUR, WEST BENGAL, AND A DIRECTOR OF OIL
INDIA CORPORATION-TWO WELL KNOWN PUBLIC SECTOR ESTABLISHMENTS.

3. FACOR PLANS TO ESTABLISH A PROJECT TO ANNUALLY MANUFACTURE
2,500/3,000 METRIC TONS (MT) OF INSOLUBLE SULFUR. FOR THIS PURPOSE
FACOR IS SEEKING A U.S. PARTNER WHO CAN PROVIDE TECHNOLOGY AND

PARTICIPATE IN EQUITY (UP TO 30 PERCENT).

4. COMMENT: INDIA DOES NOT PRODUCE INSOLUBLE SULFUR AND ACCORDING TO FACOR THE CURRENT NATIONAL REQUIREMENT OF ABOUT 2,000 MT OF THIS MATERIAL IS MET THROUGH IMPORTS. DEMAND POTENTIAL FOR INSOLUBLE SULFUR DEPENDS ON THE MAGNITUDE OF GROWTH PLANNED FOR THE MANUFACTURE OF RUBBER INDUSTRY CHEMICALS AND RUBBER PRODUCTS (TIRES, TUBES, ETC.). THE COUNTRY'S CURRENT PRODUCTION OF 6,000 MT OF RUBBER MAKERS' CHEMICALS IS EXPECTED TO INCREASE TO 11,000 MT IN 1978-79. SIMILARLY SEVERAL RUBBER TIRE AND TUBE MANUFACTURING PROJECTS ARE UNDER IMPLEMENTATION.

5. FACOR HAS ALREADY BROUGHT ITS BUSINESS PROPOSITION TO THE ATTENTION OF THE FOLLOWING U.S. COMPANIES:

STAUFFER CHEMICALS CO.
INTERNATIONAL DIVISION
SPECIALTY CHEMICAL DIV.
NYALA FARM ROAD
WESTPORT, CONN.

FMC CORPORATION
200 E. RANDOLPH DR.
CHICAGO, ILL.

KRAFT CHEMICAL COMPANY
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917 W. 18TH STREET
CHICAGO, ILL.

SMITH CHEMICALS AND COLOR CO. INC.
DUNKIRK ST. AND LIBERTY AVE.
JAMAICA, NEW YORK

BATTELLE AND RENWICK, INC.
PO BOX 714-T
CLARK, N.J.

CHROMALLOY AMERICAN CORP
641 LEXINGTON AVE
NEW YORK N.Y.

INTERNATIONAL CHEMICALS, INC.
5422 W. BELLFORT
HOUSTON, TEX

ACCORDING TO FACOR, EXCEPTING STAUFFER CHEMICALS, OTHER COMPANIES LISTED ABOVE ARE NOT ENGAGED IN THE MANUFACTURE OF INSOLUBLE

SULFUR. STAUFFER HAS DECLINED TO OFFER TECHNOLOGY TO FACOR.

6. FACOR HAS ASKED THAT ITS BUSINESS INTEREST BE MADE KNOWN TO OTHER U.S. MANUFACTURERS OF INSOLUBLE SULFUR.

ACTION REQUESTED: USDOC IS REQUESTED TO DISSEMINATE FACOR'S PROPOSAL DIRECTLY TO FIRMS ENGAGED IN THE MANUFACTURE OF INSOLUBLE SULFUR. WE WOULD APPRECIATE RECEIVING PARTICULARS OF FIRMS WHICH SHOW INTEREST IN THIS PROPOSAL. FIRMS WISHING TO ESTABLISH DIRECT CONTACT SHOULD WRITE TO MR. GHOSH, ADVISOR, FACOR, AT THE ADDRESS GIVEN IN PARA ONE.GOHEEN

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Disposition Case Number: n/a
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Disposition Event:
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